

REMARKS

Double Patenting

The examiner furnished a non-statutory double patenting rejection. Applicants will consider the timely filing of a terminal disclaimer in compliance with 37 C.F.R. 1.321 (c) or 1.321 (d) to overcome the rejection upon an indication of allowable subject matter.

Claim Objections

The examiner objected to the claims as follows:

Claim 1 is objected to because of the following informalities: **"a second different country"** should be - **a second country** -. Applicants disagree. One of the features of this claim is that there are two different countries, first country and second country may not clearly delineate that the countries are different. Therefore, different is properly included in the claim.

Claims 2, 5, 8 and 13 are objected to because of the following informalities: **"the cash owed"** should be - **the cash amount owed** -. Applicants have made this amendment.

Claim 19 is objected to because of the following informalities: **"producing the first exchange-traded fund by"** should be - **producing the first exchange-traded fund by:.**" Applicants have amended the claim and indented the subsequent actions.

35 U.S.C. § 101

The examiner rejected Claims 1, 7 and 19 under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The examiner argues that: **The claims fail to provide a 'useful, concrete, and tangible result and that claims are not tied to a particular apparatus and that the claims preempt ideas, laws of nature or natural phenomena.** The examiner is referred to the office action for the details of her reasoning.

Applicants have amended claims 1 and 19 to tie the features to an apparatus (e.g., a computer system) and thus have clearly overcome this aspect of the rejection.

Claim 1, as amended, is directed to statutory subject matter. Claim 1, now calls for a method of producing a financial product that is traded on a first marketplace, the method

executed on a computer, the method comprising: recording by the computer, exchange ... and recording by the computer delivery

The claimed invention accomplishes the practical application of administration of a financial product or a first fund. This is a useful, concrete and tangible result, as required by *State Street Bank & Trust Co. v. Signature Financial Group*, 149 F.3d 1368, 1373, 47 USPQ2d at 1601-02 (Fed. Cir. Jul. 23, 1998). Administration of a financial product or a first fund possesses sufficient "real world" value for which patent protection should be granted. The claimed methods are embodied as computer implemented methods with steps performed by a computer and thus, per se, are not directed to an abstract idea or concept, or simply a starting point for future investigation or research. (See *Brenner v. Manson*, 383 U.S. 519, 528-36, 148 USPQ 689, 693-96); *In re Ziegler*, 992, F.2d 1197, 1200-03, 26 USPQ2d 1600, 1603-06 (Fed. Cir. 1993)).

Applicants' claims and specification describe a practical application for the claimed invention, i.e., administration of a financial product, a clearly useful invention to investors and the financial community.

The examiner argues that: **"Re Claim 1: The claimed invention recites two steps "exchanging" and "delivering," These steps merely describe the goal to be achieved by the claimed invention but, fails to recite how those steps are implemented."** Applicants disagree. The claim itself clearly sets forth how the actions of exchange and deliver are implemented.

The examiner argues that according to *State Street* a claim is limited to a practical application when the method, as claimed, produces a concrete, tangible and useful result; i.e., the method recites a step or act of producing something that is concrete, tangible and useful. As amended, the actions of "recording by the computer, exchange between and recording by the computer, delivery of" are directed to something tangible and useful, for the purpose of producing a financial product that is traded on a first marketplace.

The examiner also fails to address why the article limitations in claim 7, a computer readable medium, for instance, fails to satisfy the reasoning of *State Street*, 149 F.3d at 1373, 47 USPQ2d at 1601 and *In re Alappat* 33 F.3d 1526, 1544, 31 USPQ2d 1545, 1557 (Fed. Cir. 1994)

Indeed, in *State Street*, the patent in issue was:

generally directed to a data processing system (the system) for implementing an investment structure which was developed for use in Signature's business as an administrator and accounting agent for mutual funds. In essence, the system, identified by the proprietary name Hub and Spoke[®], facilitates a structure whereby mutual funds (Spokes) pool their assets in an investment portfolio (Hub) organized as a partnership. This investment configuration provides the administrator of a mutual fund with the advantageous combination of economies of scale in administering investments coupled with the tax advantages of a partnership. *State Street* 33 F.3d at 1370.

The Federal Circuit in *State Street* 33 F.3d at 1373 reasoned that:

The Supreme Court has identified three categories of subject matter that are unpatentable, namely "laws of nature, natural phenomena, and abstract ideas." Diehr, 450 U.S. at 185. Of particular relevance to this case, the Court has held that mathematical algorithms are not patentable subject matter to the extent that they are merely abstract ideas. See Diehr, 450 U.S. 175, *passim*; Parker v. Flook, 437 U.S. 584 (1978); Gottschalk v. Benson, 409 U.S. 63 (1972). In Diehr, the Court explained that certain types of mathematical subject matter, standing alone, represent nothing more than abstract ideas until reduced to some type of practical application, i.e., "a useful, concrete and tangible result." Alappat, 33 F.3d at 1544, 31 USPQ2d at 1557.

Unpatentable mathematical algorithms are identifiable by showing they are merely abstract ideas constituting disembodied concepts or truths that are not "useful." From a practical standpoint, this means that to be patentable an algorithm must be applied in a "useful" way. In Alappat, we held that data, transformed by a machine through a series of mathematical calculations to produce a smooth waveform display on a rasterizer monitor, constituted a practical application of an abstract idea (a mathematical algorithm, formula, or calculation), because it produced "a useful, concrete and tangible result"--the smooth waveform.

In *State Street* the Federal Circuit held that "the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or

calculation, because it produces "a useful, concrete and tangible result"--a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades. The Federal Circuit reasoned that the Supreme Court acknowledged that Congress intended 35 U.S.C. 101 to extend to "anything under the sun that is made by man." *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980) to give full effect to Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in 101. *State Street* 33 F.3d at 1373.

Applicants contend therefore, that the claims are allowable under 35 U.S.C. 101.

As for the examiner's argument regarding preemption, the claims neither recite nor rely on preemption of an idea, laws of nature or natural phenomena. Nor have applicants sought to patent a process that comprises every "substantial practical application" of an abstract idea, so as to be "in practical effect a patent on the [abstract idea] itself in contravention of *In re Benson*, 409 US, at 71-72, 175 USPQ at 676.

35 U.S.C. § 112

The examiner rejected Claims 1-20 are rejected under 35 U.S.C, 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicants regard as "the" invention (emphasis added).

The examiner stated:

Claims 1, 7, 12, 16 and 19 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps and omitting essential elements, such omission amounting to a gap between the steps and gap between the elements. See MPEP §2172,01,

The examiner is referred to the office action for the omitted material from this rejection.

Claim 1 calls for a method ... executed on a computer. The method includes recording by the computer, exchange between a market participant and an agent of a creation unit basket of securities for a first fund for a prescribed number of shares in the first fund, ... and recording by the computer, delivery by either the agent or the market participant a number of shares in the second fund or in other securities to account for a cash amount owed

The examiner argues that: "In claims 1, 7, 12, 16 and 19 are conclusory without identifying the process necessary to arrive at that conclusion. For example, in claim 1, the "exchanging" and "delivering" described are conclusory without identifying the process necessary to arrive at that conclusion. For example, before any exchanging can occur one must identify how they are getting a prescribed number of shares, a creation unit etc. The criteria used for determining what the prescribed number of shares will be must also be known."

It is not necessary for the claims to recite every element needed for practical utilization of the claimed subject matter in order for a claim to be proper under 35 U.S.C. §112, second paragraph, *Bendix Corp. v. United States*, 600 F.2d 1364, 1369, 204 U.S.P.Q. 617, 621 (Court of Claims, 1979). It is not the role of the claims to enable one skilled in the art to reproduce the invention, but rather to define the legal metes and bounds of the invention. *In re Geoffe*, 526 F.2d 1393, 1397, 188 U.S.P.Q. 131, (CCPA, 1975). The claims need not provide all operating details but a method claim should recite a positive step. *In re Erlich*, 3 U.S.P.Q. 2d 1011 (Bd. Pat. App. & Int., 1986).

Applicants have set forth the subject matter of his invention as required by 35 U.S.C. 112, second paragraph. Applicants note that the examiner has not found any prior art that would necessitate a narrowing of the scope of claim 1, as will be set forth *infra*.

One skilled in this art would be capable of appreciating the metes and bounds of this claim and to understand what Applicants consider to be their invention. Therefore, this rejection is improper and should be removed.

The examiner also argues that: "Essential steps required of the invention are missing. For example, the step of calculating the amount of cash needed to be exchanged relies on the step of calculating the net asset value of the first fund at the close of trading in the second country in which the second fund is trading having previously occurred in the process." First the examiner does not set forth any reasoning why this is essential to the claimed subject matter and second Applicants observe that it is neither required to distinguish over the cited art nor it is necessary that the actor performing the actions of claim 1 calculate the net asset value of the first fund. This value can be calculated by others and referred to by the computer system calculating the amount of cash.

The examiner also argues that: "In claims 1, 7, 12, 16 and 19, the claims make reference to intended use/intended results without giving any life or meaning to these statements in the claims." Applicants disagree. These claims recite positive actions, instructions or structures, as appropriate, and not intended

use statements. For example, "to account for a cash amount owed," is a claimed limitation "needed to be exchanged ... to have the net asset value of the first fund, calculated at the close of trading in the second country ... equate to the value of the creation unit basket for that first fund ... ," as expressed in claim 2.

The examiner also argues that: **"In claims 1, 7, 12, 16 and 19, the dependent claims rely on certain steps and or elements that fail to occur in the independent claims (e.g., net asset value/value)".** Applicants request that the examiner furnish authority for this proposition.

The examiner also argues that: **"In claim 1, the preamble is drawn to a method of producing a financial product but the claimed invention fails to accomplish that result. How is the financial product produced?"** Applicants again note that the actions of claim 1, namely the feature of recording by the computer, exchange ... and the feature of recording by the computer, delivery ... , recite the necessary features to distinguish over the prior art and are directed to the novel elements to produce the product. .

The examiner also argues noted some lack of clarity regarding creation unit and creation unit basis. In order to advance prosecution applicants have amended claims 1, 7, 12, 16 and 19:

However, for the other questions/comments raised they would be easily ascertainable to one skilled in the art.

For example, the term "substantially" in claims 1, 7, 12, 16 and 19 is not a relative term that would render the claims indefinite, but rather is a term that expresses a degree of tolerance and is therefore proper.

As for Claims 1, 3, 4, 6, 7, 10, 11, 12, 12, 16 and 19 "other securities," can be any other security but shares in the first fund, as described by Applicants.

As for Claim 2, there is sufficient antecedent basis for the limitation "the net asset value of the first fund, calculated at the close of trading in the second country", for reasons given above. In Claims 2, 8 and 13 "the value" is clear and indeed can be construed as net asset value or another value.

In Claims 3, 9 the limitation "wherein if," is not optional language, but is a computer program construct representing a condition on an action. The claim also recites what occurs

when the condition is met and when the condition is not met. So an action occurs depending on the resolution of the condition.

Claims 10 and 14 recite the limitation "in either direction." The feature of "in either direction" clearly describes the cash to exchange from the agent to the market participant or from market participant to the agent. In order to advance prosecution, these claims have been amended to clarify this feature.

All of the alleged informalities in dependent claims have been addressed.

Accordingly, this rejection is improper or overcome and should be removed.

35 U.S.C. § 103

The examiner rejected Claims 1-20 under 35 U.S.C. 103(a) as being unpatentable over Gastineau, US Pub, No. 2001/0025266 in view of "Exchange traded funds—the wave of the future ?," by Stuart M. Strauss. The Investment Lawyer, Englewood Cliffs: Apr. 2000, Vol, 7, Lns, 4.

The examiner argues that:

Re Claim 1: Gastineau discloses the method of producing a financial product that is traded on a first marketplace, comprising:

exchanging between a market participant and an agent a creation unit basket of securities for the first fund traded for a prescribed number of shares in the first fund, which has a basis that is substantially the same basis as a creation unit basis for a second fund that is traded on a second marketplace in a different country than that of the first fund (Gastineau, [0001] [0002] [0003] [0004]).

Gastineau fails to explicitly disclose a method comprising:

delivering by either the agent or market participant a number of shares in the second fund or in other securities to account for any "cash amount" that may be owed between the agent and the participant as a result of the exchange of the creation unit basket of securities for the shares in the first fund.

Strauss discloses the method comprising:

delivering by either the agent or market participant a number of shares in the second fund or in other securities to account for any "cash amount" that may be owed between the agent and the participant as a result of the exchange of the creation unit basket of securities for the shares in the first fund (Strauss, pgs. 1-3).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Gastineau by adopting the teachings of Strauss to provide a method further comprising delivering by either the agent or market participant a number of shares in the second fund or in other securities to account for any "cash amount" that may be owed between the agent and the participant as a result of the exchange of the creation unit basket of securities for the shares in the first fund.

As suggested by Strauss one would have been motivated to ensure that shares are purchased at NAV.

Claim 1 is neither described nor suggested by any combination of Gastineau and Strauss, since no combination of these references suggests exchanging ... a creation unit basket of securities for a first fund ..., having a basis that is substantially the same basis as a creation unit basis for a second fund that is traded on a second marketplace in a second, different country and delivering by either the agent or the market participant a number of shares in the second fund or in other securities to account for a cash amount owed

The examiner uses Gastineau to teach the feature of exchanging. The examiner has not explicitly shown where Gastineau teaches the claimed exchanging feature and in particular “a first fund ..., having a basis that is substantially the same basis as a creation unit basis for a second fund that is traded on a second marketplace in a second country.”

Gastineau describes a SPDR a depository trading receipt based on the S&P 500 Index. However, nowhere in those passages or elsewhere in Gastineau is there described both the first fund traded in the first country and the second fund traded in the second country.

Applicants specifically request that the examiner identify the element of Gastineau that correspond to the first fund and the element in Gastineau that corresponds to “a second fund that is traded on a second marketplace in a second, different country.”

Gastineau describes a hedging technique to produce a hedge basket of securities to hedge against trading of actively managed funds. However, the hedge basket does not possess the features of a second fund trading in a second, different country than the actively managed first fund nor having a creation unit basket of securities for the first fund that has a basis that is the same or substantially the same as a creation unit basis for the second fund. The hedge basket is neither registered nor are shares thereof traded, nor does it have the same or substantially the same basis as the creation unit of the actively managed fund.

The examiner uses Strauss to teach the feature of delivering. However, Strauss neither describes nor suggests: “delivering by either the agent or the market participant a number of shares in the second fund or in other securities to account for a cash amount owed”

Rather, Strauss describes the conventional approach in which cash is delivered to account for dividends etc. For instance, Strauss describes on page 2,

A small cash payment (Cash Component) generally must also be made. The list of the names and number of shares of the Deposit Securities on a particular trading day is made available daily to market participants prior to the opening of trading by the trustee (in the case of a UIT), or investment advisor or custodian (in the case of a managed fund), typically through the facilities of the National Securities Clearing Corporation (NSCC).⁶ The Cash Component is an amount equal to the Dividend Equivalent Payment (as defined below) plus or minus a balancing amount intended to insure that (consistent with Rule 22c-1 under the Investment Company Act of 1940) shares are purchased at NAV next calculated following receipt of the purchase order in proper form.⁷ The Dividend Equivalent Payment is an amount intended to enable an ETF to make a distribution of dividends on the next payment date as if all of the ETF's portfolio securities had been held for the entire dividend period. (Footnotes omitted).

Strauss neither describes nor suggests the first and the second funds traded in different first and second countries, nor does Strauss describe “delivering by either the agent or market participant a number of shares in the second fund or in other securities to account for a cash amount owed”

While Applicants note that Strauss does describe delivering a prescribed number of shares in exchange for the creation unit basket of securities, this again is akin to the conventional teachings of Gastineau regarding, e.g., the SPDR's and thus does not cure the deficiencies in Gastineau. Nonetheless, Strauss also clearly describes on page 3 that cash is exchanged along with the shares exchanged for the creation unit basket of securities.

Redemption proceeds include the Fund Securities plus cash in an amount equal to the difference between the NAV of the Shares being redeemed and the value of the Fund Securities.¹⁰ If the value, however, of the Fund Securities is greater than the NAV of the Shares, a cash payment equal to the differential must be paid to the ETF. (Footnotes omitted).

Strauss does not describe or suggest “delivering by either the agent or the market participant a number of shares in the second fund or in other securities to account for a cash amount owed ...” and no combination of these references describes or suggests this feature.

The examiner previously commented on her opinion that” **The idea that something (i.e., usually other than money) that is an equivalent or near equivalent (i.e., in value, use etc.) can be given as an alternative or replacement for something else.”**¹

The examiner argues that it would have been obvious in view of Gastineau and/or Strauss to use shares in the second fund, or in other securities, in lieu of cash to account for cash that may be exchanged.

Applicants contend that this reasoning is a conclusion not reason. The conclusion is based on improper hindsight when looking at Applicants' claims because the primary reference relied on to teach the feature of exchanging, namely Strauss, simply does not describe or suggest to use shares in the second fund. . Gastineau as admitted by the examiner does not even address this feature.

It is clear that Gastineau does not describe or suggest both the first fund and the second fund that is traded on a second marketplace in a second, different country. Strauss neither describes nor suggests the first fund and the second fund traded in a second different country. Applicants have described a mechanism that permits, e.g., trading of an S&P 500 Index fund, which is normally traded in the U.S. on the American Stock Exchange to trade a e.g., European version of the S&P 500 Index fund, that while not necessarily fungible with the S&P 500 Index fund traded in the U.S. is arbitragable with the S&P 500 Index fund traded in the U.S.

The examiner has not shown any teachings from Gastineau or Strauss that suggests to one of ordinary skill in the art to deliver a number of shares in the second fund or in other securities to account for a cash amount owed. The prior art furnished by the examiner discloses just one fund in one country, so issues such as making shares in a first fund arbitragable with shares in a second fund in a second, different country are simply beyond the scope of what Gastineau, alone or in combination with Strauss, *could* suggest to one skilled in the art.

Claim 7 is allowable over Gastineau taken separately or in combination with Strauss for analogous reasons as those given in claim 1, namely that no combination of these references suggests a computer program product ... for administrating a first fund ... having a basis that is substantially the same basis as a creation unit basis for a second fund that is traded on a second

¹ *Final Office Action* at pp. 20-21.

marketplace in a second, different country, ... comprising instructions ... to determine a number of shares in the second fund or in other securities to account for a cash amount owed between an agent and a market participant

In addition, the examiner argues that:²

Intended Use: The claim makes several intended use statements which do not carry patentable weight (i.e., "a computer program product for"; "instructions for"). What follows the statement of intended use (i.e., "for") does not carry patentable weight. The claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim.

Applicant previously amended claim 7 to recite a computer program product residing on a computer readable medium. Applicants again direct the examiner's attention to *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994) and the Federal Circuit's dismissal of an appeal in *In re Beauregard*, 53 F.3d 1583, 35 U.S.P.Q.2d 1383 (Fed Cir. 1995), in lieu of the Patent Office's adoption of guidelines to examination of computer related inventions, clearly sanctioning the use of so called Beauregard claims.

Instructions to ... "determine a number of shares in the second fund or in other securities to account for a cash amount owed between an agent and a market participant ..." is not a statement of intended use, but rather recites a structural limitation on the computer readable medium that distinguishes that computer readable medium from other computer readable mediums. *Lowry*, 32 F.3d at 1583.

Accordingly the examiner must give patentable weight to all of the features recited in the claims, and therefore no combination of Gastineau with Strauss suggests the claimed computer program product residing on the computer readable medium... since neither reference teaches the features in the claim.

Claim 12 is allowable over Gastineau and Strauss for analogous reasons given in claim 7.

Claims 2, 8 and 13 are allowable over Gastineau in view of Strauss for the reasons discussed in their base claims.

² *Id.* at pp. 11-12.

Claims 3 and 9

Claim 3, for example, is allowable over the combination of references since no combination of those references describes or suggests: "if the cash amount is a negative amount the agent issues shares in the second fund or provides shares in the other securities in lieu of the cash amount, and if the cash amount is a positive amount the agent accepts shares in the second fund or in other securities in lieu of the cash amount."

Claims 4, 10 and 14

Claim 4, for example, is allowable since no combination of the references suggests that the cash is exchanged to equate shares in the first fund with the creation unit basket plus or minus the shares in the second fund or in the other securities provided to cover the cash amount.

Claims 5, 6, 11 and 15

These claims are distinguished over Gastineau in view of Strauss since no combination suggests, for example, that the agent sets a maximum cash amount that it will give to or receive from the market participant (claim 5) or that transactions that exceed the maximum cash amount will result in issuance or receipt of the shares in the second fund or in the other securities, rather than cash ... (claim 6).

There is no other option for the agent or the market participant but to exchange cash in the process of creation of SPDRs as disclosed by Strauss or the combined teachings of Gastineau and Strauss.

Claim 16

The examiner is referred to the office action for the reasons for rejection.

Claim 16 is allowable over Gastineau taken separately or in combination with Strauss for analogous reasons as those given in claims 1 and 7, namely that no combination of these references suggests a computer program product residing on a computer readable medium for administering a first exchange-traded fund, the computer program product comprising instructions ... to: ... the first exchange-traded fund produced by delivery from a market

participant to an agent, in exchange for the prescribed number of shares in the first exchange-traded fund, of a creation unit basket of securities for the first exchange-traded fund having a basis that is substantially the same basis as a creation unit basis for a second exchange-trade fund that has shares traded on a second marketplace in a second country; determine a number of shares in the second exchange-traded fund or in other securities to satisfy an amount of cash that is owed between the agent and the market participant to allow for delivery of the shares in the second exchange-trade fund or in the other securities in lieu of the cash;

Claims 17, 19, and 20

Claim 19 is allowable over Gastineau and Strauss for analogous reasons given in claim 16.

Claims 17 and 20 are allowable over Gastineau in view of Strauss for the reasons discussed in their base claims (16 and 19).

Claim 18

This claim is distinguished over Gastineau in view of Strauss since no combination suggests, for example, a computer program product residing on a computer readable medium, for administering a first exchange-traded fund, the computer program product comprising instructions ... to calculate whether cash involved in transactions exceeds a maximum amount; and issue the second exchange-traded fund shares along with the prescribed number of shares in the first exchange-trade fund in lieu of the cash.

There is no other option for the agent or the market participant but to exchange cash in the process of creation of SPDR's as disclosed by Strauss or the combined teachings of Gastineau and Strauss.

The prior art made of record and not relied upon neither describes nor suggests Applicants' invention whether taken separately or in combination with the art of record.

Response to Arguments/Remarks

The examiner argues that: “The concept of in-kind purchase and redemption with respect to exchange-traded funds was old and well-known at the time the invention was made.” Applicant does not understand what this statement has to do with the claimed subject matter. The examiner argues that: “In exchange for a given creation unit for a fund, a number of shares plus/minus a cash component could be exchanged, such that the values exchanged are equal. Furthermore, it was old and well-known that this purchase and redemption occurred at net asset value. See citation *supra* for Strauss.” Applicants again point out that this statement is not relevant to the claimed subject matter.

The examiner argues that: This³ is also a type of in-kind exchange that old and well-known in fields related to bartering, trading and exchanges. Applicants disagree and request that the examiner furnish documentary evidence that in the context of exchange traded funds that the feature “... a number of shares in the second fund or in other securities to account for a cash amount owed between the agent and the market participant ...” is old and well known, because this is not apparent from any of the cited art.

Intended use

See discussion above and of record

Automation

See discussion of record

Hindsight

The examiner states:

In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a

³ Applicant assumes that this refers to (creation unit basis between the first fund and the second fund are the same (or nearly the same) and when the net asset value is taken at the same time, that shares in the second fund could also be used).

reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

Applicants requests that the examiner specifically point out where in the prior art the examiner finds the **knowledge** of “a first fund ... trading in a first country... having a creation unit basis that is substantially the same as a creation unit basis for a second fund that is traded on a second marketplace in a second, different country and ... delivery ... of shares in the second fund or in other securities to account for a cash amount owed

Applicants submit that it is only after gleaning knowledge from applicants' claims and teachings that the examiner can fashion such an argument.

Documentary Evidence

The examiner disagrees with applicants' assertion that a rejection was made on the basis of Official Notice, and points to support in Strauss supra, as first noted in the office action 07/24/07, and the references made of record. Applicants contend that these citations do not provide the requested documentary support. Applicants conclude therefore that the documentary support does not exist.

It is believed that all the rejections and/or objections raised by the examiner have been addressed.

In view of the foregoing remarks, applicants respectfully submit that the application is in condition for allowance and such action is respectfully requested at the examiner's earliest convenience.

All of the dependent claims are patentable for at least the reasons for which the claims on which they depend are patentable.

Canceled claims, if any, have been canceled without prejudice or disclaimer.

Any circumstance in which the applicants have (a) addressed certain comments of the examiner does not mean that the applicants concede other comments of the examiner, (b) made arguments for the patentability of some claims does not mean that there are not other good reasons for patentability of those claims and other claims, or (c) amended or canceled a claim

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does not mean that the applicant concedes any of the examiner's positions with respect to that claim or other claims.

Please charge the Petition for Extension of Time fee of **\$120** and please apply any other charges or credits to deposit account 06-1050.

Respectfully submitted,

Date: March 25, 2008

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